

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
In re : Chapter 11
Case Nos. 00-41065
RANDALL'S ISLAND FAMILY GOLF : through 00-41196
(SMB)
CENTERS, INC., (Jointly
Administered)
:
Debtors,
-----:
ORIX USA CORP.
Plaintiff, :
Adv. Proc. No. 00-2669
:
FAMILY GOLF CENTERS, INC., CHASE : STIPULATION AND ORDER
MANHATTAN BANK, N.A. and THE
OFFICIAL COMMITTEE OF UNSECURED :
CREDITORS, :
:
Defendants.
-----x

IT IS STIPULATED AND AGREED, by and between the
undersigned counsel for the parties hereto, as follows:

1. This Stipulation and Order shall have no force
or effect unless and until it is approved by the Bankruptcy
Court.

2. The proceeds (the "Proceeds") received by Family
Golf Centers, Inc. ("Family Golf") in connection with its sale

of various properties to Klak Golf, LLC ("Klak"), pursuant to that certain purchase agreement dated August 1, 2000, allocable to the Hiland Golf Center, Queensbury, New York, and the personal property located thereon (collectively, the "Property"), which Property secures the claim of ORIX USA Corporation ("ORIX") against Family Golf, exceeds the amount owed to ORIX, including all costs and expenses, including legal fees and disbursements, incurred by ORIX.

3. ORIX shall be paid forthwith the following amounts: (a) \$2,712,000 in principal, plus (b) \$13,136.25 in pre-petition interest, plus (c) post-petition interest at the rate of \$762.75 per diem from November 1, 2000 through the date of payment, plus (d) \$113,208.66 for ORIX's costs and expenses, including legal fees.

4. ORIX shall be paid the foregoing amounts from the Proceeds, which Proceeds are being held pursuant to the Court's September 7, 2000 Order in a separate, segregated account by the Debtors.

5. This Stipulation and Order cannot be changed, modified, altered or terminated in any way or manner, except in

writing, signed by the respective parties or their respective attorneys. This Stipulation and Order shall be binding upon and inure to the benefit of the parties hereto and their respective administrators, successors and assigns.

6. Upon receipt and collection of the amount due ORIX as set forth in paragraph three above: (a) all of ORIX's liens, claims and encumbrances on and any rights to or interests in the Proceeds shall be released; (b) ORIX shall immediately settle an order dismissing the adversary proceeding, with prejudice; and (c) any and all claims arising under and related to the note dated as of May 15, 1995 (the "Note") by and between ORIX and Family Golf shall be released, discharged and waived, and neither Family Golf nor ORIX shall have any continuing obligations, claims or liability in connection with the Note.

7. This Stipulation may be executed in two or more counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same document.

8. The Bankruptcy Court shall retain jurisdiction over any matters related to or arising from this Stipulation and Order.

Dated: New York, New York
November __, 2000

ARONAUER, GOLDFARB, SILLS &
RE, LLP

FRIED, FRANK, HARRIS,
SHRIVER & JACOBSON

By: /s/

Joseph Aronauer, a
Member of the Firm
Attorneys for Plaintiff
444 Madison Avenue, 17th
Floor
New York, New York 10022
(212) 755-6000

By: /s/

Gerald C. Bender
Attorneys for Defendant
Family Golf Centers, Inc.
One New York Plaza
New York, NY 10004
(212) 859-8232

BERLACK, ISRAELS & LIBERMAN
LLP

MORGAN, LEWIS & BOCKIUS LLP

By: /s/

Erica M. Ryland
Attorneys for Defendant
The Official Committee of
Unsecured Creditors
120 West 45th Street
New York, New York 10036
(212) 704-0100

By: /s/

Scott D. Talmadge
Attorneys for Defendant
The Chase Manhattan Bank
101 Park Avenue
New York, NY 10178
(212) 309-6665

SO ORDERED 11/28/00

/s/ STUART M. BERNSTEIN
Hon. Stuart Bernstein
United States Bankruptcy Judge